

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3617 - SB 3463

March 12, 2012

SUMMARY OF BILL: Exempts non-licensed security professionals, employees, and qualifying agents who administer and install video camera surveillance equipment (CCTV) from licensure and registration requirements.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$34,300/FY12-13

Exceeds \$46,900/FY13-14 and Subsequent Years

Assumptions:

- According to the Alarm Systems Contractors Board (Board), there are currently 24 licensed agents with only a CCTV classification, and 83 licensed agents with a CCTV plus one other classification. The licensing fee for each classification is \$100.
- A license for CCTV is for two years. The Board estimates that half of the licenses renew each year. Therefore, the recurring decrease in state revenue is \$5,350 [(24 agents CCTV only + 83 agents two classifications) x \$100 fee x 50% annual renewal].
- According to the Board, 24 companies are licensed for CCTV only and 107 companies are licensed for CCTV plus one other classification. The fee for companies with a CCTV-only license is \$250. The recurring decrease in state revenue is \$3,000 (24 companies x \$250 x 50% annual renewal).
- The fee for companies with a license for CCTV plus an additional classification is \$400 (\$250 CCTV + \$150 other classification). These companies will no longer pay the \$250 fee.
- The recurring decrease in state revenue is \$13,375 (107 companies x \$250 CCTV x 50% annual renewal).
- The Board estimates that 18 additional agents apply for CCTV licensure annually. The initial CCTV application fee is \$200. Therefore, the recurring decrease in state revenue is estimated to be \$3,600 (18 agents x \$200).
- The Board estimates that 18 additional companies apply for CCTV licensure annually. The initial CCTV application fee is \$500. Therefore, the recurring decrease in state revenue is estimated to be \$9,000 (18 companies x \$500).
- The total estimated recurring decrease in state revenue is \$34,325 (\$5,350 + \$3,000 + \$13,375 + 3,600 + \$9,000) in FY12-13.
- It is estimated that the recurring decrease in state revenue will increase by \$12,600 (\$3,600 + \$9,000) each year to account for the annual increase in applicants. The

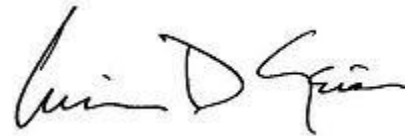
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decrease in state revenue is estimated to exceed \$46,925 (\$34,325 + \$12,600) in FY13-14 and subsequent years.

- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$632,275 in FY09-10, and \$422,310 in FY10-11.
- According to the Board, the decrease in revenue can be absorbed utilizing existing resources without affecting the Board's self-sufficiency at this time.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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